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THE KSA PERSPECTIVE

For Apparel Management

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KSA's 1983 Financial Performance Profile of the Apparel Industry

Peak performances logged by 64 public apparel firms; Diversified group leads in recovery year.

The number of public apparel companies may be shrinking, but there was nothing bashful about their financial performances in fiscal 1983. Sales bounded ahead by $555 million (4.1%) and profits leaped to a 44% gain, both setting records for the 12 years that KSA has been tracking apparel industry performance.

Here are some other highlights from this year's Profile:

- Bottom-line profits totalled $694 million, or 4.9% of the $14.2 billion in net sales achieved by the 64 public companies in this year's Profile. The highest previous ratio was 4.3% in 1979.
- Gross profits exceeded 30% of sales for the first time, and were up 1.8 percentage points from 1982.
- By limiting SG&A to a fractional gain, and paying less in interest costs, this year's Profile sample was able to bring $361 million to pre-tax earnings. At 9.1% of sales, this is the highest such figure since 1972.
- Return on total equity was 15.4% for the entire apparel industry, also a record.
- The public apparel companies are cash-rich, with over one billion dollars—3.8 times what was on hand at the end of 1981. Total assets grew by 6.5%, and the sample's composite return on them was 8.6%.
- Inventories of finished goods, work-in-process, and materials were down to 34.8% of assets, and turnover rose to 5.55 during a year of increasing sales and rapid replenishment by retailers.

Close examination of the complete Profile reveals more of the same, and makes pleasant reading. How come the figures are so good?

Better Sales; Stronger Controls

Obviously, the strong economic recovery in 1983 had most to do with the excellent performances turned in by the group.

Only six of 64 companies lost money last year (as opposed to 12 of 66 in fiscal 1982). Of these, three losers closed their fiscal years in the first half of 1983. Of the 20 first-half closers, only four firms exceeded the composite 4.9% return on sales. Among the 44 closing in the latter half of the year, 16 companies beat the industry's ratio. So it all starts with sales.

However, public apparel firms are developing the ability to convert more volume into greater profit — and that is the key. With only a 2% rise in overall wholesale apparel prices, most of the good performance was due to better control over cost of goods, marketing and administrative costs, and other spending.

Thirty-eight percent of the $555 million composite sales gain found its way to the bottom line last year — similar to the 37% that was captured and kept in 1982. There is probably a marginal income effect at work here, as well as better planning and controls.

Sector Results

Among the major apparel sectors, the Diversified group stood out in 1983. The 18 companies in this category registered a gain of 7% in composite sales, accompanied by a 40% advance in pre-tax income. Net after-tax income was 6.4% of sales, and return on equity reached

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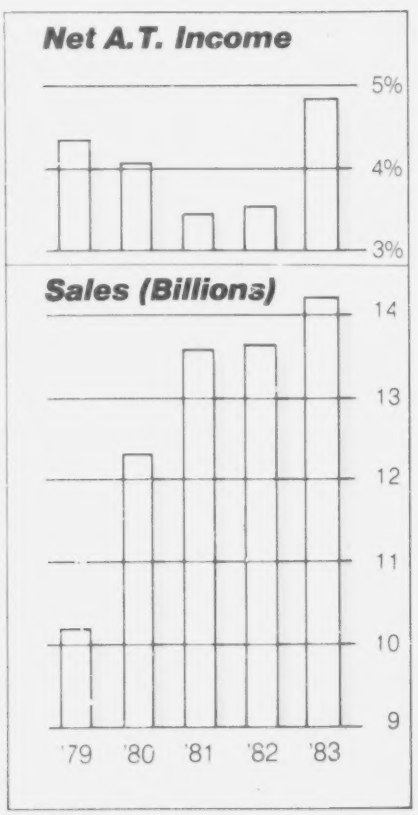

Footwear Profile published separately.

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How Industry Sectors Compare . . .

Sub-Industry and Year	No. of Firms Reported	Sales ($000)	Net Income ($000)	Net A.T. Income as % of Sales	Return on Total Equity	Total Debt to Assets	Return on Total Assets	Sales to Total Assets	Gross Profit	Debt/ Equity	% Times	Return on Invested Capital
Women's Wear (W)												
1982	19	2,006,311	49,659	2.48	8.63	43	4.84	1.97	35.43	0.71	1.82	7.44
Men's Wear (M)												
1982	16	3,997,908	100,442	2.51	9.06	49	3.54	1.80	28.79	0.81	0.81	6.67
Diversified (D)												
1982	18	6,900,282	325,197	4.71	15.32	45	8.49	1.78	31.24	0.44	4.57	12.91
Associated Fashion Products (A)												
1982	11	752,940	7,480	.99	1.16	42	1.65	1.56	27.63	0.46	2.56	2.12
Composite Total*												
1982	64	13,656,850	482,778	3.54	11.44	44	6.46	1.83	29.71	0.61	1.98	9.23

**Excludes multi-industry firms and conglomerates*

19.4% — the highest for this sector since 1979.

Women's Wear firms added a moderate 2.5% in sales over 1982, but pre-tax income rose by 42%. Bottom-line profit was a composite 4.1% of sales for the 19 companies — a healthy contrast with recent mediocre showings. Return on total equity was a respectable 13.1%, up from 8.6% in 1982.

The 16 Men's Wear companies actually suffered a sales decline of 0.7%, but managed to post a gain of 26% in pre-tax profit thanks to a drop in cost of goods sold and interest expense. Composite net income was 3.2% of sales, up from the preceding two years. But significantly below results for 1979 and 1980.

Stand-Out Companies

Among the Top Performers last year, *VF*, *Liz Claiborne*, and *Oshkosh B'Gosh* stayed ahead of the pack. *Bassett-Walker* made an impressive debut with the best net income figure (12.2%). Strong marketing positions and consistent controls still pay off.

Notable improvements were registered in 1983 by *Kleinert's* and *Jack Winter* (both building on their modest profit performances in 1982 after three losing years); *Quality Mills* (with a $6.8 million turnaround from 1981); *Munsingwear* (a $17.5 million jump out of the red, on $10 million less volume); and *Alba-Waldensian*, which increased its profits 45 times over 1982.

Shrinking Sample With Lots of Cash

This year's Profile contains complete financial data for 64 companies deriving at least half of their income from apparel manufacturing. Eight of the firms in last year's report have gone private or did not file reports; another six have been added to the list.

The trend towards leveraged buy-outs is accelerating — in textiles as well as apparel. Changes in family holdings and control, and opportunities to cash in by using the tax laws instead of waiting for a company's shares to rise in value, are

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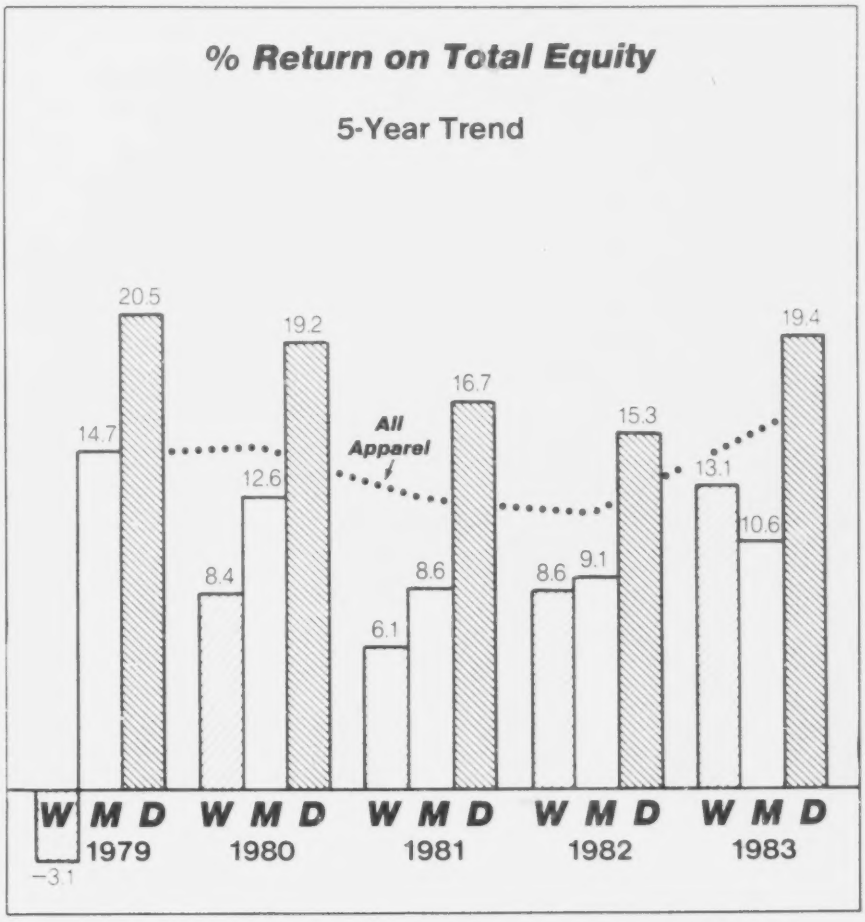

Sales and Earnings

Apparel and Associated Fashion Products Companies

Sales Rank	Company	Sales ($000)	Net Income ($000)	N.I. Rank
82				82
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40	Bayly Corp. (6-83 M)	101,632	3,204	58
41	Morningwear (2-84 D)	99,094	2,713	63
42	Dorsett-McGuire (2-84 D)	90,299	8,237	20
43	Oak Hill (2-83 W)	86,506	3,490	21
44	Superior Surg. (2-83 D)	84,786	2,965	31
45	Bonnie Brooks (6-83 W)	83,014	3,740	64
46	Adams-Mark (2-83 A)	82,795	4,811	35
47	Abe Schrader (1-83 W)	81,731	3,806	24
48	Wayne-Gossard (2-83 M)	80,058	1,203	43
49	BTK Int. (3-83 M)	75,809	(3,607)	62
50	United Company (1-83 D)	69,120	2,979	30
51	Olga Company (1-83 W)	67,986	1,776	26
52	Fritzi of California (3-83 W)	64,235	1,029	37
53	Mode Star (3-83 W)	63,147	636	39
54	Sears (1-83 C) (1)	57,813	1,893	*
55	Nevex (2-83 D)	56,639	5,260	60
56	Avnet (7-83 A)	54,798	743	61
57	Alba-Waldensian (2-83 A)	46,676	4,040	52
58	Richardson (3-83 A)	46,490	(1,777)	42
59	Kennington (2-83 M)	46,076	3,141	29
60	Quarks Mfg. (2-83 M)	45,333	1,759	50
61	Spencer (6-83 C) (1)	43,600	3,200 §	*
62	After Six (4-83 M)	42,369	4,719	47
63	Jack Winter (1-83 W)	41,047	1,441	49
64	Blue Mfg. Company (3-83 A)	39,077	516	43
65	Jaclyn (6-83 A)	37,420	1,874	46
66	Kennerly (3-83 W)	36,422	1,022	53
67	Spin Industries (1-83 D)	36,993	415	54
*	Sanmark-Stardust (6-83 W)	32,162	2,197	28
70	Jim Blair (6-83 W)	31,924	403	56
68	Bancroft (California) (6-83 D)	34,961	760	42
73	Nantucket Ind. (2-84 A)	28,165	903	46
72	PenGroup (9-83 A)	27,775	1,493	38
*	Chemold (7-83 C) (1)	21,493	4,013 §	*
74	State O Maine (1-83 M)	19,177	509	45
75	Raven Ind. (1-83 C) (1)	12,928	618 §	*
67	Miller Bros. (9-83 A)	10,471	(1,009)	57
76	Fenn Sports (8-83 D)	10,666	71	51
77	Bi State Ind. (3-83 W)	7,488	591	44
78	Howard B. Wolf (5-83 W)	6,938	70	50
	Sales Total	$20,538,019		

Unavailable

* Unranked

§ Fiscal year-end change. Latest figure is for 12 months. Unranked.

(1) Multi-industry Firms or Diversified Divisions. Apparel sales may be estimated and include the following components: (A) Apparel, (H) Hosiery, (AA) Associated Fashion Products, (F) Footwear, (Boots), (Leather Products), (E) Furniture, (B) Other unrelated industries. Where available, Operating Earnings (O) or Pre-Tax Income (Pre) shown.

Apparel Performance Profile — Fiscal 1983

(Excludes Conglomerates and Multi-Industry Firms)

83 Sales Rank	Company	Net A.T. Inc. on Sales %	81	82	Return on Total Equity %	81	82	Total Debt To Assets	81	82	Return on Total Assets %	81	82	Sales To Total Assets	81	82	Gross Profit %	81	82	Operating Earnings %	81	82	Inventory Turns	81	82	Return on Invested Capital %	81	82
49	**Abe Schrader 7/83-W**	4.68	18	7	17.92	13	8	.20	61	59	14.22	5	6	3.03	1	3	31.62	17	12	9.19	16	13	6.82	2	2	17.92	8	6
48	**Adams-Millis 12/83-A**	5.81	12	24	13.25	22	40	.33	49	45	8.82	16	36	1.51	53	59	16.67	60	63	8.31	24	39	5.71	3	16	11.09	21	39
64	**After Six 06/83-M**	8.84	+	42	19.93	+	43	.59	14	8	8.04	+	44	.91	63	62	36.32	7	9	13.21	7	11	2.94	48	45	9.06	+	44
58	**Aileen 11/83-W**	−.38	61	56	−.57	61	55	.22	60	56	−.44	61	56	1.16	59	60	19.12	61	61	−2.31	61	63	4.10	21	23	−.51	51	55
59	**Alba-Waldensian 12/83-A**	6.49	11	48	12.75	24	48	.30	52	30	8.82	16	47	1.35	57	39	17.67	59	56	8.11	26	22	3.85	23	20	10.88	22	48
71	**Barco of California 06/83-D**	3.13	30	22	6.27	40	34	.23	59	58	4.80	11	24	1.53	56	42	31.79	10	19	6.01	40	44	2.75	53	41	6.22	36	26
24	**Bassett-Walker 12/83-D**	12.18	1	1	22.21	6	3	.13	63	61	19.16	1	2	1.57	37	31	27.54	30	18	21.82	1	1	4.78	9	5	22.01	4	2
42	**Bayly Corp. 10/83-M**	3.15	29	53	13.35	21	53	.49	25	34	6.75	21	54	2.14	13	13	28.73	27	50	5.96	41	59	3.60	34	22	10.54	23	54
79	**Bi-State Ind. 03/83-W**	7.89	6	5	18.58	10	5	.28	55	53	13.27	6	5	1.68	36	12	33.41	13	13	9.90	16	7	9.16	1	1	17.80	7	5
2	**Blue Bell 10/83-M**	3.87	23	23	10.46	32	32	.35	40	40	6.70	22	23	1.73	42	40	32.33	14	16	8.00	27	25	3.30	19	52	9.28	26	25
47	**Bobbie Brooks 05/83-W**	4.49	+	58	28.73	+	59	.58	16	4	11.98	+	59	2.66	1	1	24.66	45	54	−3.63	62	62	4.23	18	4	19.99	+	59
66	**Boss Mfg. Co. 03/83-A**	−1.32	52	40	−4.45	57	39	.49	26	25	−2.24	52	39	1.70	45	23	26.31	33	37	.78	59	53	3.65	33	25	−2.55	52	42
51	**BTK Ind. 09/83-M**	−16.62	55	57	§		58	1.05	*	5	−40.53	55	57	2.43	8	33	23.29	48	48	−13.53	64	61	3.77	28	34	§	§	57
41	**Champion Prod. 12/83-D**	1.71	42	45	4.91	43	44	.38	42	49	3.03	43	43	1.76	29	35	24.91	43	42	3.77	60	52	2.94	48	49	3.89	44	43
7	**Cluett Peabody 12/83-M**	3.12	31	26	11.69	28	23	.48	28	28	6.05	29	22	1.93	24	22	24.25	46	35	7.46	32	40	3.15	42	39	8.91	27	22
28	**Farah Mfg. Co. 10/83-M**	10.17	1	+	32.72	1	+	.37	43	18	20.40	+	+	2.00	20	25	32.24	15	21	11.27	12	18	3.73	29	35	29.16	+	+
78	**Felco Sports 08/83-D**	.66	48	41	2.31	48	41	.48	28	30	1.19	47	40	1.80	26	23	24.74	44	36	3.60	41	45	2.89	51	37	1.80	47	38
54	**Fritzi of California 09/83-W**	1.91	38	34	7.87	39	31	.54	21	34	3.59	39	27	1.88	25	9	25.51	38	31	4.46	48	43	4.12	19	19	7.46	34	21
33	**Garan 09/83-W**	6.75	10	8	16.73	15	16	.35	45	46	10.82	9	13	1.60	45	48	25.25	41	43	12.19	8	14	4.89	8	12	14.46	12	14
36	**Hampton Ind. 12/83-M**	2.09	35	31	7.99	38	29	.45	31	38	4.35	34	25	2.07	17	11	19.80	52	49	5.39	42	32	4.32	14	15	5.34	38	31
80	**Howard B. Wolf 05/83-W**	1.00	46	+	1.32	50	+	.14	62	62	1.12	48	+	1.11	61	57	30.81	19	27	−1.88	60	57	2.17	60	62	1.29	49	+
67	**Jaclyn 06/83-A**	5.00	16	16	11.81	27	21	.28	55	60	8.41	19	12	1.68	38	17	29.85	22	37	8.20	25	37	4.69	10	10	11.36	20	17
65	**Jack Winter 11/83-W**	3.51	27	43	4.98	42	45	.31	51	62	3.43	40	45	.97	62	63	26.35	32	23	1.44	56	58	2.59	54	44	4.94	41	45
18	**Jonathan Logan 12/83-W**	4.90	17	20	13.14	23	26	.35	45	42	8.48	18	18	1.73	32	31	27.65	29	33	9.69	17	26	4.11	20	13	11.65	19	18
70	**Joni Blair 06/83-W**	1.26	44	51	10.11	35	51	.68	7	7	3.16	42	51	2.49	7	19	16.66	61	62	5.25	43	50	5.06	6	11	10.11	24	51
10	**Kellwood Co. 04/83-D**	1.93	38	39	12.15	25	27	.68	7	6	3.83	38	41	1.98	22	30	18.76	55	52	7.09	36	34	2.99	47	50	7.51	33	32
61	**Kennington 12/83-M**	6.89	8	15	4.53	44	42	.05	64	64	4.30	35	34	.62	64	64	25.78	35	47	6.28	38	54	1.81	63	64	4.53	43	41
‡	**Kleinert's 09/83-W**	2.80	+	46	10.49	+	47	.55	20	12	4.68	+	48	1.66	41	61	13.42	63	64	7.20	35	34	3.25	40	59	6.78	+	46
1	**Levi Strauss 11/83-D**	7.12	7	11	18.46	11	18	.42	35	41	10.61	10	17	1.49	55	50	39.64	4	5	13.63	6	10	3.83	24	30	15.21	10	16
22	**Liz Claiborne 12/83-W**	9.79	3	4	34.72	1	1	.29	53	54	24.52	1	1	2.50	6	2	36.75	6	10	19.21	3	3	5.21	5	3	34.72	1	1
17	**Manhattan 01/83-D**	1.90	39	28	12.00	26	11	.63	10	8	4.42	32	21	2.32	10	16	30.03	21	15	5.12	46	38	3.60	34	29	6.71	35	19
30	**Marcade Group 01/83-W**	−4.12	53	30	−30.95	54	17	.71	6	8	−8.79	53	29	2.13	14	28	20.42	51	39	1.97	55	28	2.54	55	53	−14.16	54	20
37	**Medalist 12/83-A**	1.90	39	52	8.04	37	52	.58	16	15	3.33	41	52	1.74	31	50	31.28	18	20	6.52	37	49	3.60	34	43	4.95	40	52

77	**Miller Bros. 09/83-A**	−9.11	54	**54**	−14.76	53	**54**	.28	55	**25**	−10.57	54	**53**	1.15	60	**45**	12.44	64	**59**	−6.84	63	**60**	1.79	64	**61**	−12.05	53	**53**
55	**Movie Star 05/83-W**	1.00	46	**37**	3.45	46	**36**	.51	24	**23**	1.68	46	**38**	1.67	39	**43**	22.25	49	**45**	4.09	49	**46**	2.13	61	**48**	2.89	45	**36**
43	**Munsingwear 12/83-D**	2.91	+	**59**	9.62	+	**56**	.45	31	**23**	5.20	+	**58**	1.78	27	**28**	28.89	25	**53**	.98	58	**64**	4.02	22	**39**	6.60	+	**58**
72	**Nantucket Ind. 02/83-A**	3.82	24	**27**	19.08	9	**19**	.66	9	**11**	6.38	24	**28**	1.67	39	**48**	25.45	39	**34**	10.27	15	**17**	4.25	17	**24**	9.80	25	**33**
57	**Nexus 07/83-D**	2.15	+	**55**	20.31	+	**57**	.84	3	**3**	3.24	+	**55**	1.50	54	**37**	17.96	58	**60**	3.12	52	**56**	3.12	44	**20**	4.07	+	**56**
68	**Noel Industries 10/83-D**	1.14	45	**49**	5.33	41	**50**	.56	19	**19**	2.34	44	**49**	2.04	19	**18**	18.14	57	**51**	2.00	54	**51**	4.28	16	**17**	4.90	42	**49**
45	**Oak Hill 12/83-W**	4.03	22	**+**	18.40	12	**+**	.44	33	**30**	10.20	11	**+**	2.52	5	**4**	26.24	34	**28**	7.27	34	**21**	4.91	7	**8**	16.00	9	**+**
53	**Olga Company 12/83-W**	5.65	14	**13**	25.70	5	**13**	.54	21	**49**	11.71	8	**7**	2.07	17	**15**	41.35	3	**3**	11.93	9	**12**	3.42	37	**41**	18.70	5	**8**
44	**Oshkosh B'Gosh 12/83-D**	8.92	4	**3**	31.49	3	**4**	.39	40	**54**	19.09	4	**4**	2.13	14	**13**	29.16	24	**17**	17.27	4	**4**	3.67	32	**32**	26.65	3	**4**
11	**Oxford Ind. 05/83-D**	4.38	20	**17**	21.12	7	**9**	.42	35	**25**	12.17	7	**11**	2.77	2	**7**	25.17	42	**44**	8.85	21	**23**	4.42	12	**18**	17.59	8	**9**
13	**Palm Beach Co. 10/83-D**	2.95	32	**35**	15.29	17	**25**	.59	14	**16**	6.19	26	**30**	2.09	16	**10**	26.51	31	**30**	8.33	23	**29**	3.18	41	**36**	8.43	29	**27**
14	**Phil-Van Heusen 01/83-M**	1.92	37	**38**	8.46	36	**33**	.51	24	**19**	4.13	36	**33**	2.14	12	**21**	27.81	28	**26**	5.17	45	**48**	3.32	38	**33**	6.04	37	**34**
73	**ProGroup 09/83-A**	6.85	9	**10**	13.41	18	**20**	.24	58	**56**	10.13	13	**14**	1.47	56	**46**	34.67	11	**11**	11.12	14	**15**	4.35	13	**9**	12.83	16	**15**
62	**Quality Mills 12/83-M**	3.88	+	**50**	61.61	+	**49**	.83	4	**1**	10.27	+	**50**	2.64	4	**6**	22.06	50	**46**	7.89	30	**31**	3.81	25	**37**	15.82	+	**50**
60	**Richton Intl. 04/83-A**	−25.38	56	**+**	−254.08	55	**+**	.82	5	**19**	−43.77	58	**+**	1.72	34	**56**	38.84	5	**4**	1.36	57	**55**	2.28	58	**58**	−67.99	55	**+**
23	**Russ Togs 01/83-W**	4.45	19	**14**	13.41	18	**14**	.33	49	**46**	8.91	15	**8**	2.00	20	**20**	25.63	37	**32**	7.48	31	**24**	4.66	11	**7**	12.57	18	**10**
19	**Russell Corp. 12/83-D**	6.37	5	**6**	15.39	16	**15**	.34	48	**42**	10.11	14	**10**	1.20	58	**58**	30.52	20	**25**	15.91	5	**5**	3.72	30	**27**	13.14	14	**13**
32	**Salant Corp. 11/83-M**	.65	49	**32**	2.42	47	**28**	.58	16	**12**	1.00	49	**35**	1.53	50	**53**	18.72	56	**57**	2.70	53	**47**	3.14	43	**47**	1.60	48	**30**
69	**Sanmark-Stardust 06/83-W**	6.83	+	**+**	18.42	+	**+**	.40	38	**49**	10.95	+	**+**	1.60	45	**33**	25.96	35	**39**	11.79	10	**8**	2.47	56	**56**	16.27	+	**+**
39	**Savoy Ind. 08/83-M**	1.80	41	**44**	32.73	2	**6**	.86	2	**2**	4.36	33	**42**	2.41	9	**8**	36.09	8	**7**	5.22	44	**41**	3.81	25	**14**	13.69	13	**28**
38	**Stanwood Corp. 12/83-M**	.35	50	**36**	1.58	49	**37**	.62	11	**28**	.59	50	**37**	1.64	42	**44**	16.06	62	**58**	4.72	47	**42**	2.91	50	**55**	.91	50	**40**
75	**State-O-Maine 02/83-M**	2.65	33	**21**	13.38	20	**10**	.54	21	**22**	6.15	27	**16**	2.31	11	**4**	33.62	12	**14**	7.94	28	**16**	4.29	15	**28**	12.80	17	**7**
46	**Superior Surg. 12/83-D**	3.46	28	**25**	10.43	33	**30**	.41	37	**38**	6.08	28	**26**	1.75	30	**37**	29.74	23	**24**	7.43	33	**30**	2.76	52	**51**	7.82	31	**29**
35	**Swank Inc. 12/83-A**	4.05	21	**29**	10.39	34	**38**	.36	44	**46**	6.60	23	**32**	1.62	44	**54**	42.14	2	**2**	8.89	20	**36**	2.10	62	**63**	8.34	30	**35**
21	**Tultex 11/83-M**	5.05	15	**8**	20.16	8	**7**	.60	13	**17**	7.97	20	**15**	1.57	47	**52**	23.66	47	**29**	11.67	11	**6**	3.80	27	**25**	12.94	15	**12**
52	**Unitog Company 01/83-D**	3.73	25	**19**	10.48	31	**24**	.39	40	**33**	6.29	25	**20**	1.68	36	**47**	46.44	1	**1**	8.76	22	**20**	3.68	31	**31**	8.68	28	**24**
3	**VF Corp. 12/83-D**	10.84	2	**2**	29.85	4	**2**	.29	53	**52**	21.05	2	**3**	1.94	23	**26**	35.69	9	**6**	19.57	2	**2**	5.32	4	**6**	26.87	2	**3**
12	**Warnaco Inc. 12/83-D**	5.69	13	**12**	17.21	14	**12**	.40	38	**34**	10.17	12	**9**	1.78	27	**26**	35.64	10	**8**	11.24	13	**9**	3.10	45	**46**	14.55	11	**11**
50	**Wayne-Gossard 12/83-M**	1.50	43	**33**	4.02	45	**35**	.43	34	**42**	2.27	45	**31**	1.51	52	**36**	18.80	54	**55**	6.27	39	**33**	2.31	57	**57**	2.60	46	**37**
26	**Wm. Carter Co. 12/83-W**	3.61	26	**18**	11.19	29	**22**	.47	30	**34**	5.90	30	**19**	1.63	43	**40**	28.83	26	**22**	7.93	29	**19**	2.22	59	**59**	7.71	32	**23**
29	**Work Wear Corp. 12/83-A**	2.62	34	**47**	10.53	30	**46**	.61	12	**14**	4.05	37	**46**	1.54	49	**55**	25.41	40	**41**	9.17	19	**27**	3.02	46	**54**	5.08	39	**47**

Rankings in blue indicate relative standings for fiscal year ending 1983.
Rankings in black refer to standings in 1982 based on the 1983 profile mix.

+ Extraordinary gains exceed 1% of net sales, unranked.

§ Return on Total Equity and Return on Invested Capital unavailable, unranked.

‡ Fiscal year-end change. Sales figure is for 14 months, unranked.

Top Performers . . . by the dozen

1983 **1979-1983**

Net A.T. Income on Sales

	Company	Sales ($000)	Net A.T. Income on Sales %	1982 Rank
1	Bassett-Walker - D	222,103	12.18	1
2	VF Corp. - D	1,100,956	10.84	2
3	Liz Claiborne - W	228,722	9.79	4
4	Oshkosh B'Gosh - D	92,299	8.92	3
5	Russell Corp. - D	318,693	8.47	6
6	Bi-State Ind. - W	7,488	7.89	5
7	Levi Strauss - D	2,731,273	7.12	11
8	Kennington - D	45,576	6.89	15
9	ProGroup - A	21,776	6.86	10
10	Garan - W	160,724	6.73	8
11	Abe Waldensian - A	46,678	6.49	48
12	Adams-Mills - A	82,796	5.81	24

	Company	5-Year Sales ($000)	Net A.T. Income on Sales %
1	Kennington - M	373,257	11.24
2	VF Corp. - D	3,904,829	8.91
3	Russell Corp. - D	1,293,434	8.40
4	Oshkosh B'Gosh - D	273,543	8.23
5	Bi-State Ind. - W	37,657	7.44
6	Farah Mfg. - M	783,442	7.38
7	Levi Strauss - D	13,098,643	6.93
8	Garan - W	702,723	6.72
9	Tultex - M	1,035,534	4.89
10	Russ Togs - W	958,058	4.69
11	Olga - W	277,891	4.59
12	Abe Schrader - W	265,759	4.52

Return on Total Equity

	Company	Sales ($000)	Return on Total Equity %	1982 Rank
1	Liz Claiborne - W	228,722	34.72	1
2	Savoy - M	107,068	32.73	6
3	Oshkosh B'Gosh - D	92,299	31.49	4
4	VF Corp. - D	1,100,956	29.89	2
5	Olga - W	67,085	25.70	13
6	Bassett-Walker - D	222,103	22.21	3
7	Oxford Ind. - D	516,677	21.12	9
8	Tultex - M	287,974 *	20.16	7
9	Nantucket - A	24,155	19.08	19
10	Bi-State Ind. - W	7,488	18.58	5
11	Levi Strauss - D	2,731,273	18.46	18
12	Oak Hill - W	86,506	18.40	*

	Company	5-Year Sales ($000)	Return on Total Equity %
1	Farah Mfg. - M	783,442	33.37
2	Bi-State Ind. - W	37,657	29.49
3	Oshkosh B'Gosh - D	273,543	26.21
4	VF Corp. - D	3,904,829	25.11
5	Levi Strauss - D	13,098,643	20.25
6	Nantucket - A	90,751	20.07
7	Tultex - M	1,035,534	19.06
8	Russell Corp. - D	1,293,434	17.39
9	Warnaco - D	2,383,087	16.97
10	Olga - W	277,891	16.94
11	Abe Schrader - W	265,759	15.92
12	Garan - W	702,723	15.46

Return on Invested Capital

	Company	Sales ($000)	Return on Invested Capital %	1982 Rank
1	Liz Claiborne - W	228,722	34.72	1
2	VF Corp. - D	1,100,956	26.87	3
3	Oshkosh B'Gosh - D	92,299	26.65	4
4	Bassett-Walker - D	222,103	22.01	2
5	Olga - W	67,085	18.70	8
6	Abe Schrader - W	81,231	17.92	6
7	Bi-State Ind. - W	7,488	17.80	5
8	Oxford Ind. - D	516,677	17.59	9
9	Oak Hill - W	86,506	16.00	*
10	Levi Strauss - D	2,731,273	15.21	16
11	Warnaco - D	497,260	14.55	11
12	Garan - W	160,724	14.46	14

	Company	5-Year Sales ($000)	Return on Invested Capital %
1	Bi-State Ind. - W	37,657	29.06
2	Oshkosh B'Gosh - D	273,543	23.96
3	VF Corp. - D	3,904,829	22.51
4	Farah Mfg. - M	783,442	18.81
5	Levi Strauss - D	13,098,643	17.27
6	Abe Schrader - W	265,759	15.92
7	Olga - W	277,891	14.47
8	Kennington - M	373,257	14.13
9	Russell Corp. - D	1,293,434	13.97
10	State-O-Maine - M	75,599	13.09
11	Warnaco - D	2,383,087	12.93
12	Garan - W	702,723	12.78

* *Unavailable*

Rankings for 1982 have been recalculated to reflect new profile mix.

cont'd from p. 2

the chief reasons. In other cases, we could be seeing a long-delayed reaction to some unjustified public offerings made by apparel firms back in the Sixties.

Whatever the reasons, we can expect future Profiles to deal with a smaller group of public companies. However, we are convinced that both their top and bottom lines will continue to make impressive advances. The remaining public apparel companies are achieving better levels of consistency in their performances, reflecting better strategies, planning, controls and operations.

However, apparel's present healthy condition — particularly its robust balance sheets — may introduce a new element of vulnerability. Its surplus of cash may attract unwanted attention.

Neither dividend payments nor capital investments have kept pace with rising earnings. As a consequence, the public apparel companies have more liquid assets than ever. What will they do with them? It is an unfamiliar but delicious problem.

Acquisition-minded companies are attracted to cash-rich, undervalued firms capable of generating even more cash flow. Low debt ratios spell future borrowing power, and leveraged buy-outs are the result.

Apparel companies with strong balance sheets will have to start thinking about their options. They can step up their investments in new and improved production capacity. They can do some acquiring themselves. They can strengthen their defense by buying back their own stock. For these companies, now is not the time to be without a long-range strategy.

Classifications

There are no simple formulas for classifying the companies in these Profiles that will satisfy every situation. The constantly changing mix of companies in each year's Profile sample, plus changes in the product mixes of the companies themselves, call for many separate and flexible judgments.

Public companies deriving at least half of their total sales volumes from manufacturing and/or marketing of apparel or associated personal consumer products are included in the full data analysis.

These firms have been classified M (primarily Men's and Boys' Apparel), W (primarily Women's and Children's Apparel), D (Diversified, with neither Men's wear nor Women's wear predominating in the product mix), or A (Associated Fashion Products — companies whose sales may include some apparel along with related personal consumer products such as hosiery, gloves, headwear, leather products, jewelry, and the like). Footwear is specifically excluded because firms in that product category are part of our Footwear Profile (page 10).

A separate category — C — covers divisions of conglomerates or multi-product companies that do a significant amount of business in apparel, although more than half of their sales is in retailing, footwear, or unrelated products. The apparel sales volumes of these companies, and some indication of their earnings performances, where available, are included in the Sales and Earnings table on page 3. However, their complete financial performance data have not been tabulated and do not appear elsewhere in this Profile.

The need to establish a cut-off date (12/31) for annual reports used in these Profiles causes difficulties for both KSA and those public companies whose fiscal years close one or two months after the cut-off — and who may have already announced another year's results by the time the Profiles are issued in May.

Several months are needed to gather and analyze reports, run computer programs, and print the results. Thus, the present cut-off date must be adhered to without exception.

Sector Comparison – Selected Ratios

	Women's Wear	Men's Wear	Diversified	Assoc. Fashion Products
Cost of Goods Sold (% of Sales)	72.78	72.61	66.79	70.83
SG&A (% of Sales)	18.94	20.34	20.69	21.69
Interest Expense (% of Sales)	1.22	1.72	1.49	2.12
Current Ratio	2.85	2.78	2.88	3.61
Collection Period	45.00	61.65	48.02	62.28
Change in Inventory Levels (%)	3.77	−5.47	7.87	−1.76

What the Ratios Mean

Net After-Tax Income on Sales — Net income divided by net sales and reported as a percentage. This figure is frequently labeled Return on Sales, although KSA declines use of this title since extraordinary items are included in net income. Net sales is gross sales less discounts and allowances for returns and bad debts.

Return on Total Equity — Net income divided by total equity, reported as a percentage. The figure is a good measure of performance on behalf of the owners of the firm.

Total Debt to Assets — The sum of current liabilities, deferred liabilities, and long-term debt, divided by the book value of total assets. The quotient indicates the proportion of assets supported by creditor-supplied funds. Values usually range between zero and one. (Values greater than one indicate that a negative shareholders' equity exists.) Values approaching one indicate the possibility of high financial risk exposure.

Return on Total Assets — Net income divided by the book value of total assets, converted to a percentage. This figure is often used as an indicator of the return on the total investment in the firm, regardless of financing, although most analysts correctly suggest that to make this measure more precise, one must add tax-adjusted interest payments to net income before dividing.

Sales to Total Assets — Net sales divided by total assets. This result is frequently called total asset turnover or simple turnover. Again, we are reluctant to use these terms due to the inclusion of intangible items in the total asset base. A high ratio may indicate inadequate planning for growth and/or operating at or above full capacity. A low ratio suggests overinvestment or inefficient use of assets.

Gross Profit — Net sales less cost of goods sold, divided by net sales and multiplied by 100 to make a percentage. The result is a good proxy for manufacturing profit.

Operating Earnings — Net sales less cost of goods sold as well as selling, general and administrative expense, divided by net sales and reported as a percentage. It is a good measure of a company's profitability on its primary, continuing operations.

Inventory Turns — Cost of goods sold divided by the average of the ending inventory for the year and prior year total inventory.

Return on Invested Capital — Net income divided by the sum of total equity and long-term debt. Many consider this figure to be the best single measure of performance for it represents the return to committed capital and is resistant to attempts to windowdress public financial statements.

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ADAMS-MILLIS CORPORATION
225 NORTH ELM ST
HIGH POINT, NC 27260

JAMES H MILLIS, CHRMN BD
ROBERT M BUNDY JR, PRES
M NEEL HARRISON, SR VP-FIN
NYSE-ALL

HOSIERY PRODUCTS 100 PCT

PROFIT AND LOSS DATA - ADAMS-MILLIS

FISCAL PERIOD ENDING	DEC 1983		DEC 1982		DEC 1981		DEC 1980		DEC 1979	
	$	PCT	$	PCT	$	PCT	$	PCT	$	PCT
NET SALES	82795	100.00	62089	100.00	80711	100.00	77419	100.00	70432	100.00
- COST OF GOODS SOLD	68993	83.33	53190	85.67	72317	89.60	68262	88.17	60755	86.26
GROSS PROFIT	13802	16.67	8899	14.33	8394	10.40	9157	11.83	9677	13.74
- SELL, GEN, & ADMIN	6919	8.36	5021	8.09	5871	7.27	4888	6.31	4583	6.51
OPERATING EARNINGS	6883	8.31	3878	6.25	2523	3.13	4269	5.51	5094	7.23
- INTEREST EXPENSE	575	0.69	852	1.37	1230	1.52	716	0.92	973	1.38
MISC. INC. OR EXP	1377	1.66	21	0.03	987	1.22	606	0.78	-2011	-2.86
INCOME BEFORE TAX	7685	9.28	3047	4.91	2280	2.82	4159	5.37	2110	3.00
- INCOME TAX	2874	3.47	1318	2.12	512	0.63	1343	1.73	1396	1.98
INCOME AFTER TAX	4811	5.81	1729	2.78	1768	2.19	2816	3.64	714	1.01
EXTRAORDINARY ITEM					3489	4.32				
NET INCOME	4811	5.81	1729	2.78	5257	6.51	2816	3.64	714	1.01
EARNINGS PER SHARE	2.10		0.74		2.26		1.22		0.31	

FLOW OF FUNDS ANALYSIS

WORKING CAP AT START	18636	17085	16588	15620
NET INCOME	4811	1729	1757	2816
DEPRECIATION	2[illegible]	[illegible]	[illegible]	868

Shown above is part of an actual Profit and Loss page from the complete printout.

The Complete Profile

This issue of *Perspectives for Apparel Management* contains excerpts from the complete industry Profile, a printout of approximately 400 pages produced by a computer program developed by KSA.

The full print-out covering five fiscal years ending in 1979 through 1983 is available for in-depth comparisons and study.

For each of the companies, as well as the industry segment composites and the total industry aggregate, the report contains:

1. Balance sheets in both dollars and percentages.
2. Income statements in both dollars and percentages.
3. Statements of changes in working capital.
4. Five-year average performances in five pertinent ratios.
5. Year-to-year percent change analysis of nine ratios.
6. A comprehensive list of ratios, including:
   - Current Ratio
   - Acid Ratio
   - Receivables Turns per Year
   - Inventory Turns per Year
   - Sales/Inventory
   - Return on Sales
   - Return on Invested Capital
   - Return on Total Equity
   - Return on Common Stock
   - Return on Total Assets
   - Operating Return
   - Cash Flow/Sales
   - Sales/Total Assets
   - Sales/Net Worth
   - Sales/Working Capital
   - Fixed Assets/Net Worth
   - Long-Term Debt/Invested Capital
   - Long-Term Debt/Net Worth
   - Long-Term Debt/Common Equity
   - Total Debt/Total Assets
   - Interest Coverage
   - Total Coverage

In addition, composite data for the industry segment groupings are presented in the same manner as the individual company compilations, as sums of all company performances in each group.

The apparel printout is available from KSA at a cost of $300.

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